

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SHAW). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TAUZIN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 264, noes 259, not voting 11, as follows:

[Roll No. 295]

AYES—264

Aderholt	Everett	Lewis (KY)
Archer	Fletcher	Linder
Armey	Foley	Lipinski
Baca	Forbes	LoBiondo
Bachus	Fossella	Lucas (KY)
Baker	Fowler	Lucas (OK)
Baldacci	Franks (NJ)	Manzullo
Ballenger	Frelinghuysen	Martinez
Barcia	Frost	Mascara
Barr	Gallegly	McCrery
Barrett (NE)	Ganske	McHugh
Bartlett	Gekas	McInnis
Barton	Gibbons	McIntyre
Bass	Gilchrest	McKeon
Bateman	Gillmor	Metcalf
Bereuter	Goode	Mica
Berry	Goodlatte	Miller (FL)
Biggart	Goodling	Miller, Gary
Bilbray	Gordon	Mollohan
Bilirakis	Goss	Moore
Bishop	Graham	Moran (KS)
Bliley	Granger	Murtha
Blunt	Green (TX)	Myrick
Boehner	Green (WI)	Napolitano
Bonilla	Greenwood	Nethercutt
Bono	Gutknecht	Ney
Boswell	Hall (OH)	Northup
Boyd	Hall (TX)	Norwood
Brady (TX)	Hansen	Nussle
Bryant	Hastings (WA)	Ortiz
Burr	Hayes	Ose
Burton	Hayworth	Oxley
Buyer	Hefley	Packard
Callahan	Hill (MT)	Paul
Calvert	Hilleary	Pease
Camp	Hobson	Peterson (MN)
Canady	Hoekstra	Peterson (PA)
Cannon	Holden	Petri
Castle	Hostettler	Phelps
Chabot	Houghton	Pickering
Chambliss	Hulshof	Pitts
Chenoweth-Hage	Hunter	Pombo
Clement	Hutchinson	Portman
Coble	Hyde	Pryce (OH)
Coburn	Isakson	Quinn
Collins	Istook	Radanovich
Combest	Jackson-Lee	Rahall
Condit	(TX)	Ramstad
Cooksey	Jenkins	Regula
Costello	John	Reyes
Cox	Johnson, Sam	Reynolds
Cramer	Jones (NC)	Riley
Crane	Jones (OH)	Rogan
Cubin	Kasich	Rogers
Davis (FL)	Kelly	Rohrabacher
Davis (VA)	Kildee	Ros-Lehtinen
Deal	King (NY)	Roukema
DeLay	Kingston	Royce
DeMint	Knollenberg	Ryan (WI)
Diaz-Balart	Kolbe	Ryun (KS)
Dickey	Kucinich	Salmon
Doolittle	Kuykendall	Sandlin
Doyle	LaHood	Sanford
Dreier	Lampson	Saxton
Duncan	Largent	Scarborough
Dunn	Latham	Schaffer
Ehlers	LaTourette	Sensenbrenner
Ehrlich	Lazio	Sessions
English	Leach	Shadegg
Etheridge	Lewis (CA)	Shaw

Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skeltan
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stump

Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Turner
Upton
Vitter

Walden
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

marks and to include extraneous material on H.R. 4201.

The SPEAKER pro tempore (Mr. SHAW). Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Such record votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

□ 1330

DEBT REDUCTION RECONCILIATION ACT OF 2000

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4601) to provide for reconciliation pursuant to section 213(c) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt and to decrease the statutory limit on the public debt, as amended.

The Clerk read as follows:

H.R. 4601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Debt Reduction Reconciliation Act of 2000".

SEC. 2. FINDINGS AND PURPOSE.

(a) *FINDINGS.*—The Congress finds that—
(1) *fiscal discipline, resulting from the Balanced Budget Act of 1997, and strong economic growth have ended decades of deficit spending and have produced budget surpluses without using the social security surplus;*
(2) *fiscal pressures will mount in the future as the aging of the population increases budget obligations;*

(3) *until Congress and the President agree to legislation that strengthens social security, the social security surplus should be used to reduce the debt held by the public;*

(4) *strengthening the Government's fiscal position through public debt reduction increases national savings, promotes economic growth, reduces interest costs, and is a constructive way to prepare for the Government's future budget obligations; and*

(5) *it is fiscally responsible and in the long-term national economic interest to use an additional portion of the nonsocial security surplus to reduce the debt held by the public.*

(b) *PURPOSE.*—It is the purpose of this Act to—

(1) *reduce the debt held by the public with the goal of eliminating this debt by 2013; and*

(2) *decrease the statutory limit on the public debt.*

SEC. 3. ESTABLISHMENT OF PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.

(a) *IN GENERAL.*—Subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end the following new section:

"§3114. Public debt reduction payment account

"(a) There is established in the Treasury of the United States an account to be known as

NOES—159

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldwin
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Coyne
Crowley
Cummings
Danner
Davis (IL)
DeFazio
DeGette
DeLaunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gejdenson
Gephardt
Gilman

Gonzalez
Gutierrez
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Hooley
Horn
Hoyer
Inslee
Jackson (IL)
Jefferson
Johnson (CT)
Johnson, E. B.
Kaptur
Kennedy
Kilpatrick
Kind (WI)
Klecza
Klink
LaFalce
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-
McDonald
Miller, George
Minge
Mink
Moakley
Moran (VA)

Morella
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Porter
Price (NC)
Rangel
Rivers
Rodriguez
Roemer
Rothman
Rush
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Snyder
Stabenow
Stark
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—11

Campbell
Conyers
Cook
Cunningham

Emerson
Ewing
Herger
McCollum

McIntosh
Roybal-Allard
Vento

□ 1327

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their re-

the Public Debt Reduction Payment Account (hereinafter in this section referred to as the 'account').

“(b) The Secretary of the Treasury shall use amounts in the account to pay at maturity, or to redeem or buy before maturity, any obligation of the Government held by the public and included in the public debt. Any obligation which is paid, redeemed, or bought with amounts from the account shall be canceled and retired and may not be reissued. Amounts deposited in the account are appropriated and may only be expended to carry out this section.

“(c) If the Congressional Budget Office estimates an on-budget surplus for fiscal year 2000 in the report submitted pursuant to section 202(e)(2) of the Congressional Budget Act of 1974 in excess of the amount of the surplus set forth for that fiscal year in section 101(4) of the concurrent resolution on the budget for fiscal year 2001 (House Concurrent Resolution 290, 106th Congress), then there is hereby appropriated into the account on the later of the date of enactment of this Act or the date upon which the Congressional Budget Office submits such report, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, an amount equal to that excess. The funds appropriated to this account shall remain available until expended.

“(d) The appropriation made under subsection (c) shall not be considered direct spending for purposes of section 252 of Balanced Budget and Emergency Deficit Control Act of 1985.

“(e) Establishment of and appropriations to the account shall not affect trust fund transfers that may be authorized under any other provision of law.

“(f) The Secretary of the Treasury and the Director of the Office of Management and Budget shall each take such actions as may be necessary to promptly carry out this section in accordance with sound debt management policies.

“(g) Reducing the debt pursuant to this section shall not interfere with the debt management policies or goals of the Secretary of the Treasury.”

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 31 of title 31, United States Code, is amended by inserting after the item relating to section 3113 the following:

“3114. Public debt reduction payment account.”

SEC. 4. REDUCTION OF STATUTORY LIMIT ON THE PUBLIC DEBT.

Section 3101(b) of title 31, United States Code, is amended by inserting “minus the amount appropriated into the Public Debt Reduction Payment Account pursuant to section 3114(c)” after “\$5,950,000,000,000”.

SEC. 5. OFF-BUDGET STATUS OF PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.

Notwithstanding any other provision of law, the receipts and disbursements of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code, shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 6. REMOVING PUBLIC DEBT REDUCTION PAYMENT ACCOUNT FROM BUDGET PRONOUNCEMENTS.

(a) IN GENERAL.—Any official statement issued by the Office of Management and Budget, the Congressional Budget Office, or any other agency or instrumentality of the Federal Government of surplus or deficit totals of the budget of the United States Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in

any official publication or material issued by either of such Offices or any other such agency or instrumentality, shall exclude the outlays and receipts of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code.

(b) SEPARATE PUBLIC DEBT REDUCTION PAYMENT ACCOUNT BUDGET DOCUMENTS.—The excluded outlays and receipts of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code, shall be submitted in separate budget documents.

SEC. 7. REPORTS TO CONGRESS.

(a) REPORTS OF THE SECRETARY OF THE TREASURY.—(1) Within 30 days after the appropriation is deposited into the Public Debt Reduction Payment Account under section 3114 of title 31, United States Code, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate confirming that such account has been established and the amount and date of such deposit. Such report shall also include a description of the Secretary's plan for using such money to reduce debt held by the public.

(2) Not later than October 31, 2000, and October 31, 2001, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the amount of money deposited into the Public Debt Reduction Payment Account, the amount of debt held by the public that was reduced, and a description of the actual debt instruments that were redeemed with such money.

(b) REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES.—Not later than November 15, 2001, the Comptroller General of the United States shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate verifying all of the information set forth in the reports submitted under subsection (a).

The SPEAKER pro tempore (Mr. SHAW). Pursuant to the rule, the gentleman from Texas (Mr. ARCHER) and the gentleman from California (Mr. MATSUI) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4601.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very important moment for the House of Representatives because with this bill we will be accelerating our effort to pay down the debt to give relief, badly needed relief to future generations. I am hopeful that in the end there will be a strong bipartisan vote for what is truly historic, and, that is, to reduce for the first time since 1917 the statutory debt limit.

In the past, the debt simply was an afterthought. While we were deficit spending, we spent and spent and frequently raised taxes, sometimes cut taxes. What was left over at the end of the year in deficit increased the debt, and we simply rubber-stamped that.

Today in a time of surplus, we are doing the same thing. Everything that is left over at the end of the year in the surplus pays down the debt automatically. The problem is that once you satiate the spending opportunities during the year, what is left at the end of the year is much, much smaller to pay down the debt. So we are taking a step here to lock up the increase in surplus over and above what we anticipated when we passed our budget earlier in the year, lock that up in a special account in the Treasury which can be used only to pay down the debt. That is why we can reduce the debt ceiling.

The Debt Reduction Reconciliation Act of 2000 has been designed by the gentleman from Kentucky (Mr. FLETCHER), the gentleman from Ohio (Mr. KASICH) and myself, and it will put us on a path to pay off the debt by 2013 or sooner.

I have already explained what the bill does and how it works. It applies only, however, to this year's extra surplus, the year 2000. But once it is put in place, it will be a model for future years. That is why the Concord Coalition, one of the best known bipartisan groups that fights for balanced budgets and fiscal discipline, supports this bill. They said in a letter that this bill is fiscally responsible. It recognizes the benefit of using today's prosperity to improve the Nation's long-term fiscal health.

Mr. Speaker, I ask that the full letter be inserted in the RECORD.

THE CONCORD COALITION,
Washington, DC, June 8, 2000.

Chairman BILL ARCHER,
House Ways and Means Committee, Longworth
House Office Building, Washington, DC.

DEAR CHAIRMAN ARCHER: The Concord Coalition is pleased to support “The Debt Reduction and Reconciliation Act of 2000,” which seeks to ensure that any increase in the projected FY 2000 on-budget surplus will be used to pay down the publicly held debt.

The Concord Coalition has long urged both Congress and the Administration to resist using projected surpluses as a treasure trove of money to be spent on any number of spending or tax cut proposals. “The Debt Reduction and Reconciliation Act of 2000” is a fiscally responsible measure that recognizes the benefit of using today's prosperity to improve the nation's long term fiscal health.

We are heartened by the improvement in the federal government's short-term fiscal position in recent years and encouraged by the prospect of continued projected surpluses. Members of both parties deserve a share of the credit for this dramatic turn around and the resulting projected surpluses. The Concord Coalition fully supports the commitment in this bill to use a portion of these surpluses for debt reduction. We further hope that Congress and the Administration will muster the political will to make good on this commitment.

At the same time, it is important to remember that our work is far from complete. Reducing the publicly held debt is a positive step, but is one of many steps required to bring about fiscal policies that are sustainable over the long-term. Welcome as it is, today's prosperity has not turned back the coming age wave or the growth in age-related entitlement programs such as Social Security, Medicare, and Medicaid. Left unchecked, the inevitable growth in spending

on these programs will put pressure on discretionary spending, revenues, and public debt.

That said, in the absence of substantive Social Security and Medicare reform, the next best thing we can do to prepare for the future is to devote every penny of the surpluses that come our way to reducing the publicly held debt. Debt reduction will enhance net national savings, thereby freeing up resources for investments leading to greater productivity, which will lead to stronger economic growth in the future. A larger economy will, in turn, help ease the burden on today's children who, when they become working age taxpayers, will face the daunting challenge of financing the retirement and health care costs of a dramatically older population.

The Concord Coalition commends you for your effort to reduce the publicly held debt. We are pleased to support your efforts and look forward to working with you to take future steps to improve our nation's long term fiscal health.

Sincerely,

ROBERT L. BIXBY,
Executive Director.

Mr. Speaker, when we balanced the budget and the budget surplus became a reality, Alan Greenspan told the Committee on Ways and Means that his first preference would be to pay down the debt. He also said the worst alternative would be more government spending. Today we are following his wise counsel. Paying down the debt is good for our country, good for working families, and good for the economy.

I strongly urge a bipartisan vote to support this bill.

Mr. Speaker, I yield the balance of my time to the gentleman from Iowa (Mr. NUSSLE) so that he can further yield it.

The SPEAKER pro tempore. Without objection, the gentleman from Iowa will control the balance of the time.

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

I say this in no disrespect to any of my colleagues on the floor of the House of Representatives, and certainly I intend to support this legislation; but I have to say that I think we are going to spend perhaps up to 40 minutes debating something that is not particularly relevant and it is probably somewhat a waste of our time.

The reality is that any surplus over and above the current surplus that we have, and most people predict that for this coming fiscal year it will be about \$15 billion, will go into debt reduction in any event. The only thing that could change it is if the majority party decides not to show the kind of fiscal discipline that I think the rhetoric kind of indicates they intend to. And so we will be doing this, we are all probably going to vote for it, but again as I said this is more of a political act than it is an act of substance.

Under current law, if at the end of the fiscal year we do not spend any of the additional surplus that we have, it will go automatically for debt reduction. Under this bill, it is appropriated into a fund set up by the Treasury Department that will go for debt reduc-

tion. And so it will not hurt, but it does not really help either. If for some reason the Senate or the House or any party should decide through a majority vote that they want to spend more money, then obviously that would change the situation. But then that is a judgment to be made by Members as time goes on.

Again, as I said, we will vote for this; but it really does not do a lot of good. But it does give me an opportunity actually to bring out some things, if I may. Governor George W. Bush indicated earlier this year that he has a tax cut proposal and over the next decade his tax cuts will be \$1.7 trillion. He also suggested individual Social Security accounts which would take away from the current beneficiaries. And he suggested somewhere in the range of 2 percent although he has not really elaborated on it. But assuming it is 2 percent, that basically then means that you would have to make that up for current beneficiaries, and that comes as somewhat a little over \$1 trillion.

So we are talking about \$2.7 trillion of additional debt or money out of the surplus over the next decade. Right now the projected on-budget surplus is \$877 billion. And so essentially the Governor will spend over the next decade three times what that surplus will be. Now, we understand by the end of this month, OMB and CBO will come in with another \$1 trillion worth of surpluses over the next decade, and so that means that you can actually say that actually he will only then be over-budgeted, or over the surplus by \$1 trillion.

Now, if we were really being honest about this, what we would do is not just make it for this fiscal year but we would do it for the next 10 fiscal years. But this is only for the next 18 months or so.

So we will save \$15 billion, but that money is going to be saved in any event. Obviously we are going to recommend that our colleagues vote for this; but the reality is again, it is a political act. It is not a substantive act. I am just kind of sorry that we are spending our 40 minutes of debate time on this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. FLETCHER), the author of this legislation and somebody who does concern himself with debt reduction.

Mr. FLETCHER. Mr. Speaker, it is really with a great privilege that I get to stand here and introduce this legislation. I recall back just after I was first sworn in, we heard the President of the United States stand up and say he wanted to spend 38 percent of the Social Security. We met in the Committee on the Budget, and we were able to save 100 percent of the Social Security surplus. We continue to exercise fiscal discipline. Because of that, we have surpluses now and will have paid

off the publicly held debt by about \$300 billion over the last several years.

This bill is about several things. One, it is about priorities, about setting our priorities. Are we going to spend money on more and bigger government? Let me say the minority and the President have offered continually budgets and amendments that would spend and spend and spend on more government programs, on larger government, not on paying down the debt or giving some relief to the American people. So this allows us to say, Look, we have a priority here, and our priorities are, yes, let's pay down the publicly held debt.

Some have said it is not significant but, believe me, I had a young lady, a Girl Scout here last week that came up and we talked about this bill. She figured her family's debt and how many boxes of Girl Scout cookies she would have to sell to pay off her family's portion of the publicly held debt. She would have to sell 19,000 boxes of Girl Scout cookies for her to pay off her family's publicly held debt. That to me is significant to folks back home. To somebody who thinks \$16 billion is insignificant and to historically appropriate that to an account in the Department of Treasury, it is just beyond my belief that anyone would believe that that is not significant.

Lastly, this is historic. Why is it historic? Because it is the first time we have said, "Let's appropriate money." We take it off the table. And if people who have been around Washington too long do not understand that, then it is clear they need to go back home and visit with their folks. This takes the money off the table and will allow us to pay down the debt.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means.

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, Groucho Marx said that the main requirement to be a good politician is to appear to be serious. The Washington Post recently commented on the performance of the majority in this Congress by calling this "the pretend Congress."

This is one of the new acts. This debt reduction bill here pretends to do something. We are all called here together, we are going to be serious, we are going to give pompous speeches about how we are going to reduce the debt, and we are saving America, and all those Girl Scout cookies and all that stuff will just be fixed by this bill.

Now, the chairman at least was honest, and I really acknowledge the gentleman from Texas (Mr. ARCHER) honesty. This bill is effective from now until September 30, 2000. It does not quite make it all the way through the election. So it is not really a very good pretend item. It would be better if it

went at least until November 8. But this is a bill for 4 months.

Now, you ask yourself, why would anybody be doing such a thing? Well, if you come up to a new reestimate of the revenue estimates here very shortly, the CBO and the OMB are going to come out with a whole bunch more money. Clearly the majority is afraid that they are going to spend it. They cannot save themselves. They have all the votes. This is your problem. We have the votes, as the majority over there, and they are going to put more money on the table and if you do not pass this bill, you will not be able to stop yourself from spending it. That is what this is about, I guess. Or maybe it is not about that.

The fact is that we have a situation where the Treasury does not need this bill to pay off more debt. If we get to the end of the fiscal year and there is some money there, they reduce the debt. They do not have to borrow. It is real simple. They do not need us to pass H.R. 4601 to tell them what they have been doing for 200 years. If they have a surplus, they buy down some of the debt. But this is a symbolic act, as my colleague from California says. I thought this would be on Friday, because this is usually the news cycle on Friday, they want to have something that says the Republicans today have passed a bill to encourage reduction of the debt.

Now, if you think about it, if you want to reduce the debt, you do not give big tax breaks, because taxes bring in money. And if you cut the taxes, there will not be any money to pay off the debt. So when you come out here and vote for tax cut after tax cut after tax cut and then say, And we want to reduce the debt, you simply are not making any sense. There are only two ways to have the money to pay off the debt, either take the taxes and pay it off or reduce the spending and pay it off, one or the other.

□ 1345

I do not see any evidence so far in this appropriations process that we are actually reducing spending. In fact, we are going up a little bit, and probably we are going to need some of this money along about September the 15 to solve the problem to buy off this program or that program so we can get out of here. All we have to do under this bill, we do not have to repeal the act, we do not have to do anything, just pass the supplemental appropriation.

This can be violated by the most simplistic legislative act of all, just bring out another bill, spend some more money, in spite of the fact that we have passed H.R. 4601, the debt reduction bill. This bill will die in the Senate from laughter. There will not be anybody over there that takes this seriously.

Mr. NUSSLE. Mr. Speaker, we on the majority side appreciate the very strong endorsement, bipartisan way of this debt reduction bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, by the way, lowering taxes increases the revenue to the Government and, unfortunately, gives us a surplus, which is what has happened since the Republicans have been in for 40 years. The Democrats ran the House and the Democrats ran up the debt by spending your money like it was their own.

The Democrats used deficit spending to fund more and more Washington programs. The debt ballooned and they raised taxes over and over again. Paying down the debt was never on the Democrat agenda. Well, times have changed. In just 5 short years with the Republicans in charge, we have turned a billion-dollar deficit into trillion-dollar surpluses.

Under our plan, we are going to eliminate publicly held debt by 2013 or sooner; that is because we believe debt relief is a top priority. That is why this bill mandates that any increase in the surplus must be used to pay down the debt.

This year we believe that will be close to \$40 billion. Paying down the debt is going to help all Americans. It will lower mortgage costs and interest rates. More importantly, the American people expect our books to be balanced and our debts to be paid. We have to do it in our own homes, and we must do it in the people's House.

The American people are fed up with 40 years of out-of-control spending by the Democrats, and they want Washington to get its house in order. Those who oppose this bill or believe it is not necessary are playing games with the American people and their money.

Today, we are going to tear up the Democrats' big-spending playbook and get serious about our children's future by eliminating our Nation's debt once and for all.

Mr. MATSUI. Mr. Speaker, we reserve the balance of our time.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Iowa (Mr. NUSSLE) for yielding me the time.

Mr. Speaker, it is interesting to hear some of the protests from the left. My good friend, the gentleman from Washington (Mr. MCDERMOTT), professionally trained as a psychiatrist, seemed to suggest that somehow this was pretend.

Mr. Speaker, I believe a common definition of insanity is doing the same thing over and over again and expecting a different outcome. And if we take a look at the history of the late 20th century, when this House was in different hands, Mr. Speaker, the folks on the left spent and spent and spent and spent and spent some more and raided Social Security and took everything not nailed down and added inflation and did the whole thing, the whole bit, spending money we did not have and

yet would return home, Mr. Speaker, to talk about the importance of debt relief.

Let no one be mistaken. This is not delusional. This is not pretend. It is not a political stunt. Mr. Speaker, for the first time since 1916 we are voting to lower the debt ceiling.

We have heard loud and clear from our constituents that they are tired of seeing deficit spending; that as we have put our House in order, by reducing taxes and thereby increasing revenues to the Federal Government, by actually generating more business in the free market and more commerce, at the same time we need to get our fiscal House in order and the gentleman from Kentucky has offered a device to do exactly that.

It is not symbolic. In fact, it is historic, because we lower the debt ceiling. We signal our commitment to reduce deficit spending; and unlike those who have tried different outcomes over and over again expecting a different result, we make a difference today.

Mr. MATSUI. Mr. Speaker, we reserve the balance of our time.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman from Iowa (Mr. NUSSLE) for yielding me the time.

Mr. Speaker, let me explain why this is important: although most Americans assume that a Federal budget surplus in any year is automatically used to reduce the national debt or at least the debt held by the public, this actually is not the case.

The U.S. Department of the Treasury must implement specific financial accounting procedures if it is to use a cash surplus to pay down the debt held by the public. If these procedures are not followed or if they proceed slowly, then the surplus revenue just builds up in the Treasury-operating cash accounts.

This excess cash could be used in the future, yes, to pay down the debt, but only if it is protected from other uses in the meantime. Until the excess cash is formally committed to debt repayment, Congress could appropriate it for other purposes.

Consequently, the current surplus will not automatically reduce the publicly held national debt of \$3.54 trillion, unless Congress acts now to make sure these funds are automatically used for debt reduction and for no other purpose.

That is exactly what this bill H.R. 4601 does; and, frankly, this offers a first step toward paying down the debt, because it protects the on-budget surplus for the remainder of this fixed fiscal year, and it appropriates it directly for debt reduction.

This money will be deposited in a designated public debt reduction account. Appropriators would be able to reallocate these funds only by first passing a law to rescind the money from this account.

Now, the debt is a huge drain on the Federal Treasury at a time when the impending Social Security crisis looms closer. Our current national debt problem pales in comparison to the unfunded liabilities already committed to current and future Social Security recipients. It is important we pay down this debt.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, we are hearing today from our colleagues on the other side that perhaps this measure is more symbolic than substantive and might not really accomplish that much. I could not more strongly disagree. The previous speaker, my colleague, the gentleman from California (Mr. ROYCE), made it very clear, and quite rightly, that absent this measure, there is absolutely nothing to stop Congress from spending this money. Of course, if one knows anything about the history of Congress, one knows that that is indeed the proclivity of this body, as well as the other Chamber to do exactly that.

Let me touch on a specific situation and put this in some context. Where are we right now in the 2001 appropriations process? We are trying to pass a series of measures and the President is insisting that he needs another \$20 billion or \$25 billion above and beyond that record high level of spending that we are proposing.

We hear our colleagues from the other side come down here every time we debate an appropriations bill to tell us we are not spending enough money. One of the ways that this spending can occur is by a devious little budget gimmick which involves reaching back into the previous year, in this case that would be fiscal year 2000, and spending the money there so that we create the illusion of some modicum of fiscal restraint, when, in fact, it is not recurring.

One of the things we need to do is take this money off the table so that it is not available for that kind of gimmickry, so that the American public gets the budget that they are being told and so that we pay down this debt, this mountain of debt which we have made some progress on but need to make much more.

There is one other point that I would like to make on this. Why is it important that we not just spend this money? Why is it important to limit the growth and the spending of the Federal Government? It is important because we need to remember every dollar that is spent by the Federal Government is the political allocation of other people's money, and we need to minimize that whenever we can and allow the hard-working men and women across this country who are producing the wealth in this country to spend their own hard-earned money as they choose rather than the way that politicians choose. That is why this measure is so important.

Mr. MATSUI. Mr. Speaker, before I call on the next speaker, I yield myself such time as I may consume.

Mr. Speaker, I might just point out to the gentleman and previous speakers on the other side of the aisle that the public debt for the fiscal year 2000 is \$5.628 trillion, \$5.628 trillion; and under the Republican budget in 2005, 5 years from now, the public debt will go to \$5.936 trillion, so it is going to go up under the Republican budget.

I might just point out that instead of all of this talk about reducing it, it is actually going to increase. I might want to emphasize that it is going to increase. I just hope that they would look at the budget document; and perhaps they could clarify it if they so choose.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me the time.

It is interesting, Mr. Speaker, that one of our candidates for President is running under the theory that it is time to change the old concept that if it feels good, do it. But the bill that we have before us today fits into that. Now, I know my colleagues on the other side have this new-found desire to put their imprimatur on paying down the debt.

It is interesting, because over the last couple of years, they really have not been in that position. They wanted to spend the surplus as fast as they could get their hands on it. In fact, they wanted to spend it far into the future and not even knowing what it is.

I offered amendments, as my dear friend from Iowa (Mr. Nussle) will remember, when we marked up the budget resolutions over the last couple of years, just to have hard freezes and pay down the debt as fast as we could, and I was lectured by the other side that this did not make any sense, and we really should not do it, we should not shackle the Congress' future ability to make the investments that it needs.

Today, we have this bill before us; and we are all going to vote for it, because we all or at least most of us do believe in at least some form of debt reduction whether we do with the belts and suspender approach like this or just do it as it works automatically under current law, but it does not comport as well with the budget resolution that this House passed not too long ago. Because the budget resolution we passed not too long ago says that in future years, if the Congressional Budget Office finds that the surplus projections are actually higher than what was assumed earlier this year, then we could spend that money on additional tax cuts or spending programs or whatever.

Mr. Speaker, now we have decided in this midcourse correction that we are

going to say, no, we are going to set this very static limitation on what we ought to be doing with this money.

I just have to say, Mr. Speaker, that I am very happy to welcome my Republican colleagues to the party of paying down the public debt. I do not think this bill is as well written as it could be. I do not think it comports with the budget resolution that my colleagues passed earlier this year. Hopefully, this will move them a little closer in the right direction of continuing what has been the greatest expansion in the American economy under this administration.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. FLETCHER).

Mr. FLETCHER. Mr. Speaker, let me address a few things. First of all, when it comes to the other side after years and years of running up deficits over \$200 billion a year, I can think of no more amazing conversion than Paul on the road to Damascus.

We certainly have seen a conversion from the other side now that all of a sudden they are the party of fiscal responsibility wanting to pay down the debt. So we certainly appreciate that conversion and hope that as these appropriation bills come up that we do not see some of their regular antics.

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As we close out this year, we have set aside this \$16 billion, which is significant, very much different than any time before. The publicly held debt is not over \$5 trillion, the debt limit is, the publicly held debt is \$3.5 trillion. So let me correct that. Obviously, when you add up the debt we owe ourselves and the other trust funds, Social Security, et cetera, it does exceed \$5 trillion.

But the publicly held debt is \$3.5 trillion. We pay interest on that, about 11 cents of every dollar that comes in revenues. That would increase our revenue, if we paid that down, which we plan on doing with the principle of this bill. By the year 2013, we will pay it down. By 2013, that will increase our revenues by about \$180 billion a year. So I wanted to rebut these misstatements.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, we will support this bill because there is no reason to oppose it. All it does is enact the inevitable. You see, when Treasury takes in more money than it spends, it simply uses the surplus, the excess money, to pay off debt. It does not sit on the money. It has debt coming due at all times. It pays the debt off, retires the debt, uses the surplus in that manner. So I am

mystified when I read this bill by what substantively it is supposed to do.

The majority acts as though if we do not put this money in this debt reduction payment account and seal it off, we are going to spend it. But this just begs the question. This is June 20th. The fiscal year ends on September 30. We will not have the incremental additional surplus numbers until some time in July. We are out a whole week in July, we are out for the whole month of August. When are we going to spend it, and who is going to spend it?

Who controls the appropriations process? The majority does. They determine what comes to the floor, what is in it and what passes, because they have the votes. So it is hard to see how this money is going to be spent between now and September 30, when they control the process, unless they elect to spend it on a fast track.

That raises the next question. If debt reduction is such a good idea, and I think it is a good idea, why does this bill just apply to this fiscal year? Why does the bill present itself in this form applicable for just 3 months remaining in this fiscal year? Why does it just apply to the increase in the surplus, for that matter? There is a \$24 billion base surplus already projected. If debt reduction is a good idea, why do we not set aside some of that surplus, allocate it to debt reduction?

Why not even go further? Why do we not take a bill and put it on this floor, a bill that does not just apply to fiscal year 2000, but to the next 10 fiscal years, until we have retired the total debt, which simply says out of every surplus we actually realize in the next 10 years we will set aside 50 percent, or make it 33 percent, or 65 percent, some fixed percentage every year allocated by law to debt reduction, if it is such a good idea?

I think it is, and I think it would be a good idea before we actually have that money and it is burning a hole in our pocket, some wanting to use it for tax cuts and others wanting to use it for spending increases, let us allocate a certain amount of it by black letter law to debt reduction. We could do that in this bill, but it does not do that. This bill only applies for 90 days.

If debt reduction is the majority's top priority, I am also mystified, because I was on the floor here when we presented the budget resolutions, our competing resolution and their resolution, which passed and which became the concurrent budget resolution for fiscal year 2001. It allocates all of the additional surplus, all of the surplus that CBO finds over and above the baseline surplus they project now, it takes all of that additional surplus and allocates it to tax cuts. There is a specific clause in their budget resolution for this year under which we are now operating which permits and encourages them to use all of the additional surplus for tax cuts.

If it is such a good idea to use it for debt reduction, why did they not make

the allocation there in the budget resolution, which is the operative resolution we have got?

As a result of that allocation in their budget resolution, we presented a budget resolution that would reduce debt over the next 5 years by \$48 billion and over the next 10 years by \$365 billion. Their budget resolution, by contrast, reduced debt by only \$12 billion, because it allocated all of the additional surplus not to debt reduction, as this bill would imply, but to tax reduction.

So, what do we have here? We have a bill that is absolutely minimal in its impact on the national debt, if it has any at all. The chairman, whom I respect, the distinguished chairman said this could be a model for future years. If it is a model, let us take it and apply it to future years. Let us say a certain amount of the surplus every year is going to be set aside to debt reduction. Let us not fool ourselves and the American people by adopting something which will have little if any impact on the actual reduction in the national debt.

Mr. NUSSLE. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, there has been a lot of very interesting discussion here today. You have the minority party rushing down here to support this legislation, but, boy it is tough. It is tough. I mean, the speeches we are hearing today, about, gee, we would really like to reduce the debt, but there are all these other priorities out here; and, yeah, we will vote for it, but, gosh, it is really tough.

You know, it is tough. I talked to a financial planner one time about how he counsels people that find themselves in debt, and the first thing he says when he counsels people is, when you find yourselves in a hole, stop digging. That is rule number one. It makes sense. And that is what we did a few years ago. We found ourselves in deficits, we were adding to the national debt, we wanted to end that 40-year practice, and we said stop digging, balance the budget, and that is what we did.

But then the second rule that the financial planner from Manchester, Iowa, taught me is he said start filling in the hole. Start filling in the hole that you dug. And you do not do that at the end of the year after you have bought all of the Girl Scout cookies; you do not do that at the end of the year after all of the things you want you have purchased and you have made decisions about. You put debt as a priority.

That is the difference with this bill. The gentleman from South Carolina is exactly correct. If we did nothing else this year, the Treasury at the end of the year will take what is in excess and they will pay down the debt. There is one problem: We do not know what that excess is going to be.

The difference with this bill and the difference with this Congress and the difference with this priority is that we

are deciding today that debt reduction is a priority. Yes, we can wait until the end of the day, and the gentleman is correct when he said yeah, you are the majority party, you can decide whether or not you are going to spend it or not, whether you are going to use it for tax cuts or whether you are going to reduce the debt. We are deciding today. Let us reduce the debt.

Mr. MATSUI. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, let me say this: The gentleman from Iowa said that we think this is tough to vote for this. I do not think any Member on our side of the aisle said anything about this being a tough bill. If anything, this is one of the easiest pieces of legislation in my 22 years in this institution to vote for, because it does not mean anything, it is irrelevant, and it is, I guess, kind of fun sitting up here for 40 minutes talking about something that is meaningless, when we have all these appropriations bills we have to pass by the end of next week. But, nevertheless, I guess we will do it. There is nothing else to do here.

But I would like to just reiterate what my colleague said from South Carolina, that, you know, we should probably make this for 10 years, because if in fact we have the wrong presidential candidate elected, we are going to spend two or three times over the surplus here. As I said in my opening remarks, Mr. Bush intends to reduce the surplus, if there is a surplus, by \$2.7 trillion over the next decade, and right now we only are projecting \$877 billion in surplus. We may get another \$1 trillion, according to CBO and OMB. So he will still be twice over the surplus.

So perhaps we should make this a proposal that will go for the next decade, because, after all, we saw what happened in the early 1980s when we let our emotions get ahead of our discipline. We finally got the budget under control under President Clinton. I would hate to see us lose control over it when he leaves office, but we very well could. So perhaps we should use some kind of gimmick like the debt limit to impose discipline, since it appears the majority party cannot use that discipline on its own.

I might just conclude by saying what Nancy Reagan said when it came to drugs: "Just say no." That is leadership.

Mr. NUSSLE. Mr. Speaker, we are about to just say no to more spending.

Mr. Speaker, I yield the balance of my time to the gentleman from Kentucky (Mr. FLETCHER), the author of this bill.

The SPEAKER pro tempore (Mr. SHAW). The gentleman from Kentucky is recognized for 3½ minutes.

Mr. FLETCHER. Mr. Speaker, I am certainly very pleased to have bipartisan support and bipartisan rhetoric on this floor. Let me first correct a few things though. This does do something different than what is done. Right now,

at this point, it is really contrary to popular convention. There is no Federal law that exists that requires surpluses at the end of the fiscal years to be used to reduce the debt. It is the stated practice of the Treasury. In reality, there is some cash the Treasury holds.

Let me give an example. Despite the surplus of \$124 billion in fiscal year 1999, the Treasury reduced publicly held debt by just \$87 billion. Even when accounting for the seasonal variation, the Treasury will have a cash balance of about \$60 billion if this rate continues over the next 2 years.

What this piece of legislation does and what is historical about it is it will set a pattern for the next decade. It allows us, like we do every year when we are appropriating money, to have an account to which we can appropriate money for debt reduction, and certain instruction is given to the Department of Treasury to reduce the debt with that money in that account.

Now, the Treasury has the responsibility to reduce it in a responsible and efficient way, so that the taxpayer's money is used most efficiently, so that we buy the most expensive bonds and redeem those so that we reduce the cost to the taxpayers as much as possible.

This bill also reduces the publicly held debt limit and the total debt limit of government, the first time it has been done since 1916. This bill sets us on a pattern to totally eliminate the publicly held debt by the year 2013.

I think that is a noble goal. That will increase our revenues tremendously as more money goes back out into the economy to continue the economy's growth. Yet in this last budget, they have talked about tax reductions versus this debt reduction bill. Let me remind you, the President offered a bill that increased spending and programs, that offered 83 new programs. This money was going to be spent, and if we do not take it off of the table right now, it will be spent here in Washington before the end of the year.

This money is appropriated to a new debt reduction account in the Department of Treasury. That is historical. Every year we have this pattern by which when we go through appropriations we can set debt reduction as a priority and set aside that money into this debt reduction account. If the majority decides that they want to spend more on government, they have that option, or if they decide they want to make our taxes fair, which I think is important.

We heard the minority talk about when we tried and did pass out of this House the marriage penalty tax, how they spoke about it being unfair and about how it was too much to give back to the American people, and it really points out the difference in philosophy here.

Let me show you this check. Some have said it is insignificant. \$16 billion. Look at the number of zeros on that.

That is not an insignificant number that is going to be deposited in this debt reduction account to pay down the publicly held debt. Now, maybe some have been in Washington too long if they think that is an insignificant amount, and maybe some have been in Washington too long if they think if they do not take off the money it will be spent. But, believe me, I have only been here a year and a half, and I understand if you do not take it off the table, it will be spent.

I am very proud of this legislation, and I want to thank the leadership, the chairman, the gentleman from Iowa (Mr. NUSSLE), the gentleman from Pennsylvania (Mr. TOOMEY), the gentleman from Ohio (Mr. KASICH), and others that worked to write this legislation, and I encourage my colleagues to vote for it.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 4601, a bill to pay down our public debt. I urge my colleagues to support this worthy legislation.

H.R. 4601 requires that at the end of fiscal year 2000, an amount equal to the non-Social Security surplus be used to pay down the public debt. These funds will be deposited in an off-budget account within the U.S. Treasury, referred to as the "public debt reduction payment account."

Moreover, within thirty days after the end of fiscal year 2000, the Treasury Department must report to Congress the amount of money deposited into the account, and how those funds were used to pay down the debt. The amount stipulated in this report must be verified by the Comptroller General of the United States.

While current law stipulates that surplus money at the end of the fiscal year must be used to pay down the debt, this legislation ensures that these excess monies are placed in a fund to prevent their use during the next fiscal year for any other purpose.

Mr. Speaker, the Congress has made great progress in the last three years with ending our long-standing pattern of deficit spending. This bill will further aid the effort to "live within our means," and to avoid a return to spending more than the revenues raised. As we continue to make progress in reducing our overall level of public debt, we will free up billions of dollars that are currently being used to finance the interest on that debt. Lower interest leads to more discretionary dollars to use on investing for the future, and an avoidance of mortgaging the future of our children.

Accordingly, I urge my colleagues to support this timely and appropriate legislation.

Mr. RYUN of Kansas. Mr. Speaker, I rise today in support of H.R. 4601, the Debt Reduction and Reconciliation Act of 2000. More importantly, I rise in support of paying down \$14 billion of the debt that will otherwise be left to our children and grandchildren.

The fiscal restraint we can show today by passing this legislation is critical to avoiding the tax and spend trap that brought us into deficit in the first place.

Just five years ago, many in Washington, including the President, did not believe we could balance the budget by the year 2005, let alone 2002 or, as it turned out, 1998. But with the help of the American people and a strong economy, we did it.

Last year, we made another commitment—to balance the federal budget without spending one penny of the Social Security surplus in the year 2000. Once again, we were able to accomplish that goal one-year ahead of schedule.

Now, we have a new challenge—to find a way to pay back the mortgage of federal debt that we owe rather than leaving it to generations to come. We want to pay down the publicly held debt by 2013. Looking back at our track record, I think we can do it—maybe even ahead of schedule.

Mr. Speaker, I encourage all my colleagues to join this effort to eliminate the publicly held debt and pass this bill today with an overwhelmingly, bi-partisan vote.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise today in strong support of H.R. 4601, the Debt Reduction Reconciliation Act of 2000, and encourage my colleagues to enthusiastically pursue its enactment as soon as possible.

Since Republicans took over the majority in Congress in 1995, we have worked hard to bring fiscal responsibility back to Washington. H.R. 4601 is one more step on this long road. This bill will ensure that the federal government's days of spending beyond our means are really behind us.

Mr. Speaker, those who claim that this bill is irresponsible or merely a publicity stunt are way off-base. In fact, the Debt Reduction Reconciliation Act is an eminently sensible compromise that allows us to cut taxes for hard working American families and small businesses, reduce the federal debt, and protect 100 percent of our Social Security system for our seniors and retirees. At the same time, it also provides sufficient funding for important government programs—like allowing us to increase funding for such essential programs as education, national security, and prescription drug benefits for our seniors.

H.R. 4601 is very straightforward. It will take all of this year's federal non-Social Security surplus funds over and above the anticipated \$24.4 billion surplus we were told to expect earlier this year, and lock it away in a new special "off budget" account that will be used exclusively for paying off the national public debt. In fact, the Congressional Budget Office is expected to announce this summer that this year's budget surplus will be at least \$40 billion. That's \$14.6 billion that, under this legislation, would be dedicated to debt reduction this year.

In addition, for every dollar locked away into this national debt-payment account, H.R. 4601 will lower the authorized federal debt ceiling that the federal government is allowed to borrow up to, dollar for dollar. This ceiling is like an authorized federal credit line and it currently allows the government to incur up to \$5.95 trillion in debt. Can you imagine—\$5.95 trillion of debt? Not too long ago, Democratic budgets projected this kind of debt as far as the eye could see. Now, Mr. Speaker, with enactment of this legislation, Congress for the first time since 1917, will lower the debt ceiling instead of increasing it.

Why should we care about reducing our national debt? Beyond the fact that past irresponsible government borrowing has mortgaged the future of our children and grandchildren and saddled them with a debt that they did not create—reducing our multi-trillion national debt will lower government interest

payments which currently consume hundreds of millions of taxpayer dollars each and every year. Anyone who has a credit card knows, as long as you are only paying for the interest charges, you will never dig yourself out of the hole and can only find yourself at best treading water, and at worst sinking in to a quagmire of red ink. Thanks to decades of Democratically-controlled Congresses, America has been in the red for far too long. By dedicating these funds to paying down the debt, we will not only reach our goal to eliminate the public debt by 2013, we will also be able to continue to cut taxes to further relieve American workers of the heavy tax burden they bear and even increase savings. In addition, lowering the federal debt will also relieve the debt's upward pressure on interest rates, which means cheaper car loans, school loans, mortgage loans, and even home improvement loans for hardworking American families.

To be frank, Congress also needs this debt reduction legislation to remove the temptation to spend any unexpected budget surpluses. Let's face it folks, Washington is not known for keeping their hands out of the cookie jar. It's time to get the chain and padlock and secure these funds out of temptation's way and keep ourselves, and those who follow us here in Congress and in the White House, on this hard-fought road to fiscal responsibility.

I urge my colleagues to join me in supporting this much needed legislation, and encourage an enthusiastic "yes" vote on H.R. 4601.

Mr. CRANE. Mr. Speaker, deficit spending has run rampant for too long. The federal debt has ballooned to nearly \$6 trillion. With this legislation for the first time since 1917 we are reversing this trend.

Uncle Sam will actually begin to pay off our \$6 trillion credit card bill. Paying off our huge debt should be a top priority, not an afterthought.

Under current law, any money left over at the end of the year is used to reduce the debt. This bill makes debt reduction a priority by setting aside the money up front.

Reducing the public debt is good for the country. It increases national saving and makes it more likely that the economy will continue growing strong. American families benefit through lower interest rates on mortgages and other loans, more jobs, better wages, and ultimately higher living standards.

Reducing the public debt strengthens the government's fiscal position by reducing interest costs and promoting economic growth. This makes it easier for the government to afford its future budget obligations.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. NUSSLE) that the House suspend the rules and pass the bill, H.R. 4601, as amended.

The question was taken.

Mr. NUSSLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

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SOCIAL SECURITY AND MEDICARE LOCK-BOX ACT OF 2000

Mr. HERGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3859) to amend the Congressional Budget Act of 1974 to protect Social Security and Medicare surpluses through strengthened budgetary enforcement mechanisms, as amended.

The Clerk read as follows:

H.R. 3859

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security and Medicare Lock-box Act of 2000".

SEC. 2. PURPOSE.

The purpose of this Act is to—

(1) ensure that social security trust fund surpluses shall be used to pay down the debt held by the public until social security reform legislation is enacted; and

(2) ensure that the projected surplus of the Federal Hospital Insurance Trust Fund shall be used to pay down the debt held by the public until medicare reform legislation is enacted.

SEC. 3. PROTECTION OF SOCIAL SECURITY SURPLUSES.

(a) POINTS OF ORDER TO PROTECT SOCIAL SECURITY SURPLUSES.—Section 312 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

"(g) POINTS OF ORDER TO PROTECT SOCIAL SECURITY SURPLUSES.—

"(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would set forth an on-budget deficit for any fiscal year.

"(2) SUBSEQUENT LEGISLATION.—Except as provided by paragraph (3), it shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

"(A) the enactment of that bill or resolution as reported;

"(B) the adoption and enactment of that amendment; or

"(C) the enactment of that bill or resolution in the form recommended in that conference report, would cause or increase an on-budget deficit for any fiscal year.

"(3) EXCEPTION.—Paragraph (2) shall not apply to social security reform legislation as defined by section 7(l) of the Social Security and Medicare Lock-box Act of 2000.

"(4) DEFINITION.—For purposes of this section, the term 'on-budget deficit', when applied to a fiscal year, means the deficit in the budget as set forth in the most recently agreed to concurrent resolution on the budget pursuant to section 301(a)(3) for that fiscal year."

(b) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) the receipts, outlays, and surplus or deficit in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, combined, established by title II of the Social Security Act;"

(c) SUPER MAJORITY REQUIREMENT.—(1) Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting "312(g)," after "310(d)(2),".

(2) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting "312(g)," after "310(d)(2),".

SEC. 4. PROTECTION OF MEDICARE SURPLUSES.

(a) POINTS OF ORDER TO PROTECT MEDICARE SURPLUSES.—Section 312 of the Congressional Budget Act of 1974 (as amended by section 3) is further amended by adding at the end the following new subsection:

"(h) POINTS OF ORDER TO PROTECT MEDICARE SURPLUSES.—

"(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would set forth an on-budget surplus for any fiscal year that is less than the projected surplus of the Federal Hospital Insurance Trust Fund for that fiscal year (as assumed in that resolution).

"(2) SUBSEQUENT LEGISLATION.—Except as provided by paragraph (3), it shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

"(A) the enactment of that bill or resolution as reported;

"(B) the adoption and enactment of that amendment; or

"(C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause the on-budget surplus for any fiscal year to be less than the projected surplus of the Federal Hospital Insurance Trust Fund (as assumed in the most recently agreed to concurrent resolution on the budget) for that fiscal year or increase the amount by which the on-budget surplus for any fiscal year would be less than such trust fund surplus for that fiscal year.

"(3) EXCEPTION.—Paragraph (2) shall not apply to medicare reform legislation as defined by section 7(2) of the Social Security and Medicare Lock-box Act of 2000.

"(4) DEFINITION.—For purposes of this section, the term 'on-budget surplus', when applied to a fiscal year, means the surplus in the budget as set forth in the most recently agreed to concurrent resolution on the budget pursuant to section 301(a)(3) for that fiscal year."

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 (as amended by section 3) is further amended by inserting "312(h)," after "312(g),".

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 (as amended by section 3) is further amended by inserting "312(h)," after "312(g),".

SEC. 5. REMOVING SOCIAL SECURITY FROM BUDGET PRONOUNCEMENTS.

(a) IN GENERAL.—Any official statement issued by the Office of Management and Budget, the Congressional Budget Office, or any other agency or instrumentality of the Federal Government of surplus or deficit totals of the budget of the United States Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in any official publication or material issued by either of such Offices or any other such agency or instrumentality, shall exclude the outlays and receipts of the old-age, survivors, and disability insurance program under title II of the Social Security Act (including the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund)